

## **AltruVista, LLC**

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March 11, 2020

### **ADV Part 2A Brochure**

This Brochure provides information about the qualifications and business practices of AltruVista, LLC. If you have any questions about the contents of this Brochure, please contact Ali Nasser at (713) 581-2440 or [CCO@altruvistawealth.com](mailto:CCO@altruvistawealth.com).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

AltruVista, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about AltruVista, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published "Amendments to Form ADV" which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure has been prepared according to the Securities and Exchange Commission's requirements and rules.

Since the filing of our last annual updating amendment, dated March 25, 2019, we have made the following material changes:

- New fee schedules have been implemented for financial planning and consultative services and asset management services. Please refer to Item 5 for additional disclosures on this change.

Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested at any time by contacting Ali Nasser, Chief Compliance Officer at 713-581-2440; by email at [CCO@altruvistawealth.com](mailto:CCO@altruvistawealth.com). Our Brochure is also available on our website at [www.AltruVistawealth.com](http://www.AltruVistawealth.com), also free of charge.

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## Item 4 Advisory Business

### Description of AltruVista, LLC

AltruVista, LLC ("AltruVista") is an independent Registered Investment Advisory firm based in Houston, TX.

AltruVista is owned and led by Principal Ali Nasser. AltruVista, LLC provides comprehensive wealth planning and asset management services for high-net-worth clients (business owners, executives, investors and families).

As of December 31, 2019, AltruVista managed \$166,941,374 in client assets on a discretionary basis, and \$0 on a non-discretionary basis.

### Scope of Services

AltruVista is an independent wealth advisory firm providing comprehensive wealth planning and asset management services to high-net-worth clients (business owners, executives, investors and families). Some clients engage AltruVista for planning or consulting services that may or may not be directly related to securities or portfolios. Other clients engage AltruVista for both consulting services, as well as implementation of asset management or financial services. Clients of AltruVista receive selected services based on their chosen service model. Services can include: business & family succession planning; high level investment strategy; liquidity and cash flow planning; asset protection and risk management; lifestyle & legacy strategy; lifetime tax planning; collaboration with outside advisors. Regardless of services, AltruVista provides all recommendations as a fiduciary, representing the client's best interest. AltruVista, LLC starts each client engagement with a comprehensive financial plan, and gives clients the choice to implement their recommendations at a firm of their choosing, or through AltruVista, LLC.

### Financial Planning

AltruVista, LLC offers independent and holistic financial planning that is unique to the desires and goals of each client. AltruVista, LLC assists the client in crystallizing their goals, identifying gaps, educating on appropriate strategies, and implementing an action plan. Planning services can fall into many categories depending on the client and engagement. Services include, but are not limited to:

- Estate planning
- Cash flow planning
- Investment planning
- Asset protection planning
- Tax strategy planning
- Business succession or exit planning
- Retirement planning
- Charitable planning
- Education planning
- Risk management & Insurance planning
- Liquidity planning

We typically (depending on engagement) work with the clients' team of professional advisors (Attorneys, CPAs, etc.) to collaborate on strategy. Once a plan is designed, the client is under no obligation to implement transactions through AltruVista, LLC and can choose the source through which to implement financial recommendations.

### **Advice Through Consultations Not Involving Securities**

As mentioned above, AltruVista, LLC also provides other advice that does not pertain to securities. These services can include, but are not limited to, strategic planning around various financially related decisions. (See Financial Planning list above for areas of consulting.) Fees are determined through a combination of complexity of the planning, volume of work, resources, and overall net worth.

### **Asset Management Services and Arrangements**

AltruVista, LLC provides investment advisory services to clients in connection with a comprehensive and customized investment plan based on the clients unique investments objectives, risk tolerance, asset allocation, tax status, existing securities, time horizon, and any other influencing factors. The investment plan results in the creation of an IPS (Investment Policy Statement).

If you participate in our discretionary asset management services, we require you to grant us discretionary authority to manage your account. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your behalf. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without obtaining your approval prior to each transaction. We will also have discretion over the broker or dealer to be used for securities transactions in your account. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authorization forms.

Implementation of the asset management services are provided on a limited discretionary basis, consistent with the IPS, and primarily utilize mutual funds or ETF's. AltruVista, LLC utilizes TD Ameritrade as a primary custodian for client assets. AltruVista, LLC can also manage assets on a non-discretionary basis on behalf of our clients. Under select circumstances, we may also identify and monitor appropriate unaffiliated Third-Party Money Managers who will implement trading strategies for our clients. Any Third Party Money Manager utilized by AltruVista, LLC will be: party to an executed Agreement with AltruVista; subject to a due diligence review; licensed as an investment advisor with the SEC and/or the appropriate state; and, will provide its own ADV Part 2A disclosure document and client agreement to each client describing its services, compensation arrangements and any potential conflicts of interest.

### **Model Portfolios**

As part of our asset management services, in addition to other types of investments, we may invest your assets according to one or more model portfolios developed by our firm. One of the model portfolios we offer is the business owners fund liquidity model portfolio. The term 'fund' is used to market the business owners fund liquidity model portfolio and is not a 'fund' or 'security' under the Investment Advisers Act of 1940. The model portfolio is designed to provide a low cost, low risk, and liquid portfolio with a primary focus on principal preservation and earning interest. All initial and subsequent deposits will be invested in the target portfolio. Where applicable, investments will be set to automatically reinvest dividends and capital gains. Clients whose assets are invested in model portfolios may not set restrictions on the specific holdings or allocations within the model, nor the types of securities that can be purchased in the model.

### **Education Standards**

Investment Advisor Representatives of AltruVista, LLC are expected to have the business and education backgrounds necessary to perform their jobs effectively. Examples include an appropriate academic background, possessing professional licenses such as the series 65 (Investment Adviser), or earning the Certified Financial Planner ("CFP"), Chartered Financial Analyst ("CFA") and/or other equivalent designations. All Investment Advisor Representatives will keep current by maintaining at least 30 hours of continuing education credits every 2 years including required training in ethics.

## Item 5 Fees and Compensation

### Financial Planning and Consultative Services

Fees for financial planning and consultative services offered through AltruVista, LLC are separate from fees earned by AltruVista, LLC or its associated persons through Valmark Securities, Inc. as Registered Representatives. A more detailed description of each of the separate fees is provided below.

We charge a fixed fee for financial planning services, which generally ranges between \$3,750 - \$50,000. The fee depends upon the complexity and scope of the plan, your financial situation, and your objectives. We do not require you to pay fees six or more months in advance. Should the engagement last longer than six months between acceptance of financial planning agreement and delivery of the financial plan, any prepaid unearned fees will be promptly returned to you less a pro rata charge for bona fide financial planning services rendered to date.

Fees for financial plans and consultative reports are based on the scope and complexity of the work involved combined with the time necessary to complete the services. In general, the fee determined will be due upon execution of the initial Financial Planning Agreement. Where applicable, payments for subsequent or recurring planning fees are payable annually at the time of the review. Fees can also be charged for project based work or on an hourly basis should the client need advice on a specific area or concern. These fees will either be flat fixed or hourly fee depending on the circumstance. The client will receive an invoice for any fee applicable to planning. Our financial planning advice may terminate upon plan delivery or continue for a pre-determined time period. The Financial Planning Agreement can be terminated at any time with written notice by either party.

### Asset Management Fees

Services similar to those provided by AltruVista may be available from other providers for greater or lesser fees. In addition, clients may choose to manage their own assets and buy securities outside of these programs without incurring the program fees. Under all these options, clients have the opportunity to place reasonable restrictions or constraints on the way their account is managed. The fees for the above services are based upon assets under management ("AUM") where AUM is measured by the accounts market value at the designated point in time.

AltruVista's fees range from 0.25% to 1.00% per annum depending on account value based on the grid below. All advisory fees are discussed, disclosed to the client, and documented by signing the Investment Services Agreement (ISA). For account households with under \$1,000,000 under management we charge an additional 0.25%.

<b>Assets Under Management</b>	<b>Standard Advisory Fee</b>	<b>Preferred Advisory Fee*</b>
First \$2,500,000	1.00%	0.90%
\$2,500,001 - \$5,000,000	0.75%	0.65%
\$5,000,001 - \$10,000,000	0.65%	0.55%
\$10,000,001 - \$25,000,000	0.45%	0.35%
\$25,000,001 - \$50,000,000	0.35%	0.30%
\$50,000,000 - \$100,000,000	0.25%	0.25%

*\*Only clients receiving planning advisory services will be on the preferred fee schedule.*

For client accounts that are held in the business owners fund liquidity model portfolio, the standard advisory will be 0.30% per annum. Client accounts held in the business owners fund liquidity model portfolio are not included in the household calculation of assets under management for purposes of tiered fee schedules on other modeled accounts.

Fees are payable in advance on a quarterly basis on the first month of the quarter. The fees applicable to each client will be spelled out in the agreement. At the initiation of the advisory relationship the Client may terminate the agreement within five business days of it's signing without incurring any fees. Thereafter, either party may terminate the agreement upon 30 days written notice, in which case fees will be prorated accordingly. However, termination will not affect either the Client's or AltruVista's responsibilities under this agreement for previously initiated transactions or for balances due in the account upon termination. The Client may instruct the custodian in writing to pay advisory fees to AltruVista directly from the Clients account based on calculations according to the Investment Services Agreement ("ISA"). The custodian will send to the client a statement showing the amount of the fee. The custodian will send to the client, with a duplicate copy sent AltruVista, LLC, a quarterly statement indicating all amounts disbursed from the account including the amount of advisory fees paid directly to AltruVista. The Client should review in detail and notify AltruVista and/or the custodian of any inaccuracies.

### **Third Party Managed Accounts**

AltruVista may recommend the use of a Third Party Money Manager. Certain third party asset management programs utilized by AltruVista may have minimum investment requirements. In all such cases, the minimum investment amount would be specifically disclosed in that third party asset manager's Form ADV, Part 2A brochure.

When AltruVista acts as a solicitor, AltruVista will receive a portion of the advisory fees charged by a third party investment advisor. Compensation for these managed accounts is based on the amount of assets under management. Fees will be deducted from the accounts in accordance with and as agreed to in the investment account opening application and contract. These fees will generally be billed quarterly, in advance and automatically debited by the custodian as authorized by the Client in the application or contract. Account initiated or terminated during the calendar quarter will be charged (a prorated fee). Upon termination of any account, any prepaid, unearned fees will be handled in accordance with the applicable manager's description of services.

For programs investing in mutual funds and similar investments, advisory fees are in addition to management fees charged by mutual fund management companies and transaction and administrative fees charged by third party advisors and custodians. Clients will incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to AltruVista, LLC's and/or the TPMM's fee and neither party shall not receive any portion of these commissions, fees, and costs.

For discretionary accounts the TPMM will have the authority to determine, without obtaining specific Client consent beyond what is disclosed in the advisory agreement, the securities to be bought or sold, the amount of securities to be bought or sold, or the broker to be used in executing the purchases.

AltruVista reviews the performance of third party advisers prior to introducing Clients to the non-affiliated investment advisers. AltruVista's duties will include assisting the Client in choosing investment objectives and appropriate investment managers, setting restrictions or limitations on the management



of the account, explaining portfolio strategies and transactions and answering client questions. In addition, AltruVista provides Clients information and research about investments as well as a review of performance reports. Restrictions and guidelines imposed by the Client may affect the composition and performance of an individual Client's portfolio. For these reasons, performance of the portfolio may not be identical with the average Client of AltruVista.

AltruVista does not act as an agent for our Clients and does not engage in principal or agency cross transactions or transactions where we are paid for order flow.

### **Compensation for the Sale of Securities or Other Investment Products**

We believe in minimizing conflicts of interest and acting in an independent capacity when engaging clients. We have no proprietary affiliations with any investment or insurance companies and hold ourselves to a 'fiduciary' standard of acting in the best interests of our clients. Our financial advice is offered in exchange for a consulting fee; furthermore, we give clients the option to implement their plans wherever they choose.

Separately from AltruVista, certain persons providing investment advice on behalf of our firm are registered representatives with Valmark, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacity as registered representatives, certain persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

We may recommend that you purchase variable annuities to be included in your investment portfolio(s). Separately from AltruVista, certain persons providing investment advice on behalf of our firm may earn commissions on the sale of the variable annuities in his or her capacity as a registered representative of Valmark. If these persons earn commission on the sale of variable annuities recommended to you, we will not include the annuity accounts in the total value used for our advisory billing/fee computation for two-year period of time after the annuity contract is sold. After the two-year period, the value of the annuity sub accounts will be added to the value of your total assets for billing purposes. Annuities will be purchased for your account only after you receive a prospectus disclosing the terms of the annuity. You are under no obligation, contractually or otherwise, to purchase variable annuities through any person affiliated with our firm.

Separately from AltruVista, persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.



## Item 6 Performance/Side By Side Management Fees

AltruVista, LLC does not charge any performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client) nor manage like account.

## Item 7 Types of Clients

AltruVista LLC's clientele generally consists of high-net-worth business owners, professional executives, families, and retirees.

## Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

AltruVista LLC may assist the Client in the selection of other investment advisers, money managers or asset allocation programs through TD Ameritrade's platforms. AltruVista will assist Clients in determining investment objectives, selecting appropriate money managers, funds or portfolios, setting restrictions or limitations on the management of the account, explaining portfolio strategies and transactions and answering client questions. AltruVista will also evaluate the overall investment strategy and performance of any third-party money manager or asset allocation program. Factors to be considered in monitoring performance may include comparing Client portfolio performance relative to certain market indices and other money managers. However, the most important consideration will be confirming that the investment strategy selected matches the personal goal of the investing client.

### Charting Analysis

Involves the gathering and analysis of price and volume information for particular markets. The analysis seeks to identify price patterns and trends in price and volume data. The aim of charting is to predict resistance and support levels, and to predict future price movements. Charting analysis is generally used for long-term investing.

**Risk:** Our charting analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

### Cyclical Analysis

Uses standard valuation metrics relative to historic norms across different asset classes to underweight or overweight particular market segments within the portfolio relative to specified benchmarks.

**Risk:** The risk of market timing based on cyclical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

### Macroeconomic Analysis

Involves understanding the general impact of macroeconomic trends and market forces on return dispersion of different asset classes, strategies or securities.

### Modern Portfolio Theory (MPT)

A theory of investing which attempts to maximize return for a given level of risk, measured in volatility. MPT is the formulation of the concept of diversification. The aim of MPT is to select a diversified basket of securities which as a whole have a lower level of risk than any one security. The risk, return, and

correlation measures used by MPT are mathematical statements about the future. In practice investors must substitute predictions based on historical measurements of asset return and volatility for the value in these equations. Very often expected values deviate from historical data.

**Risk:** Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

### **Other Risk Considerations**

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective client before retaining our services.

**Liquidity Risk:** The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price or it may not be possible to sell the investment at all.

**Credit Risk:** Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

**Inflation and Interest Rate Risk:** Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.

**Horizon and Longevity Risk:** The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.

**Mutual Funds and Exchange Traded Funds:** Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of the Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

**Risk:** The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

## Item 9 Disciplinary Information

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of AltruVista, LLC or the integrity of AltruVista management. We have no such information to disclose.

## Item 10 Other Financial Industry Activities and Affiliations

AltruVista discloses to its Clients that the receipt of commissions and other sums by its related persons for securities and insurance transactions may present a conflict of interest. Regardless of the mode of compensation, AltruVista acts as a fiduciary and makes recommendations in the best interest of a client.

### Registrations with Broker-Dealer

Persons providing investment advice on behalf of our firm are registered representatives with Valmark a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. See the *Fees and Compensation* section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

### Licensed Insurance Agency

Persons providing investment advice on behalf of our firm are licensed as Insurance Agents with Executive Insurance Agency, Inc., an insurance agency and ultimate parent of Valmark Securities, Inc. Additionally, to provide appropriate solutions for clients, related persons may be licensed with other insurance companies.

These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees. See the *Fees and Compensation* section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm.

## Item 11 Code of Ethics

AltruVista, LLC has in place Ethics Rules (the "Rules"), which are comprised of its Code of Ethics and its Insider Trading policies and procedures. The Rules are designed to ensure that personnel:

- (i) observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties;
- (ii) at all times place the interests of clients and the execution of the client's transactions first;
- (iii) disclose all actual or potential conflicts;
- (iv) adhere to the highest standards of loyalty, candor and care in all matters relating to its clients;
- (v) conduct all personal trading consistent with the Rules, including executing all client transactions prior to personal or Firm transactions, and in such a manner as to avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility; and
- (vi) not use any material non-public information in securities trading.

The Rules also establish policies regarding other matters such as outside employment, the giving or receiving of gifts, and safeguarding portfolio holdings information. Under the general prohibitions of the Rules, personnel may not:

- effect securities transactions while in possession of material non-public information; disclose such information to others;
- participate in fraudulent conduct involving securities held or to be acquired by any client;
- engage in frequent trading activities that create or may create a conflict of interest, limit their ability to perform their job duties, or violate any provision of the Rules.

AltruVista's personnel are required to conduct their personal investment activities in a manner that is not detrimental to its advisory clients. Our personnel are not permitted to personally trade securities except under circumstances specified in the Code of Ethics. However, there may be circumstances where our personnel may buy and sell on behalf of its clients, securities or other investments in which they own securities or otherwise have a personal interest. The policy requires all Access Persons (defined as all personnel employed by AltruVista, LLC and its related parties, officers, and designated persons) to report all personal transactions in securities not otherwise exempt under the policy. All reportable transactions shall be reviewed for compliance with the Code of Ethics. The Rules and the Code of Ethics are available to clients and prospective clients upon request. Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

We are committed to safeguarding your confidential information and hold all personal information provided to it in the strictest confidence. These records include all personal information that we collect from you or receive from other firms in connection with any of the financial services they provide. We also require other firms with whom we deal with to restrict the use of your information.

AltruVista has a duty to disclose all potential and actual conflicts of interest. We also have a duty to report potential and actual conflicts of interest to the Company. Gifts of other than a nominal value (generally defined as under \$100.00) should not be accepted from persons or entities doing business with us.

## **Item 12 Brokerage Practices**

AltruVista, LLC has chosen to associate with TD Ameritrade and Comerica Institutional Trust and as such brokerage practices are generally dictated by them.

**Soft Dollars**

AltruVista does not make it a practice to accept or participate in soft dollar benefits if offered by brokerage firms. AltruVista does receive certain technology services and access to research materials and other tools based on our relationship with TD Ameritrade, Comerica Institutional Trust and Valmark.

**Trade Aggregation**

AltruVista is not in a position to make the decision to aggregate trades. TD Ameritrade and Comerica Institutional Trust will generally place trades individually through client's accounts unless they decide to purchase or sell the same securities for several clients at approximately the same time. They may, but are not obligated to, combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among clients differences in prices and commission or other transaction costs. Under this procedure, transactions will be price-averaged and allocated among clients groups in proportion to the purchase and sale orders placed for each client account on any given day.

**Brokerage for Client Referrals**

AltruVista has no significant incentive to select or recommend a particular broker dealer over another in the interest of receiving client referrals from a broker dealer or third party. In an effort to generally receive the most favorable execution for its clients, AltruVista may focus on utilizing certain firms for execution services on a regular basis. It is AltruVista's belief that these firms provide the best overall execution services, including consultation and available research and technology services.

**Directed Brokerage**

We routinely require that you direct our firm to execute transactions through TD Ameritrade, and Comerica Institutional. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

AltruVista, LLC's investment advisor representatives are also registered representatives of Valmark Securities Inc., and as such, they may recommend the use of suitable products and services offered through Valmark Securities, Inc. AltruVista advises its clients that they have the unrestricted right to decline to implement any advice as well as the right to select and use any broker they may choose; however, should an IAR of AltruVista be involved in such transactions they would be executed only through TD Ameritrade or Valmark.

If the client elects to have securities transactions placed through Valmark, commissions for securities paid pursuant to a prospectus will be the same. However, commissions for fees for other securities transactions may be higher or lower if placed through Valmark than if placed through another broker-dealer. No transaction based commissions or sales commissions are paid to any individual.

**Item 13 Review of Client Accounts**

The Planning Team is responsible for the review of Client Accounts. Reviews will be conducted at least annually and according to our agreement with you. Significant changes in areas such as general market conditions, your investment objectives, your financial situation or third party money manager status may prompt more frequent review of your accounts. Reviews of investment accounts typically look at portfolio consistency with regard to your risk tolerance, tax situation, investment time horizon, performance objectives, and asset allocation instructions.

Reviews cover your account holdings, transactions, charges and performance as provided on sponsor statements and other account reports. If you receive financial planning advice on an ongoing basis the plan is also reviewed at least annually for adherence to goals. A retainer fee is typically charged for such review. Reviews of your financial plan cover progress toward financial independence, anticipated distributions for social capital or charitable goals, as well as your other goals. In addition, accounts will upon a notice of changes in your circumstances as described above.

If you have investment advisory accounts, you are provided with monthly or quarterly account statements from the custodian, depending on the activity in the account. Statements generally include details of Client holdings, asset allocation, and other transaction information. Account performance is compared to market indices which are used to evaluate performance.

AltruVista may provide additional quarterly performance reporting and/or special reports outlining activity in one particular area as circumstances dictate. You must notify us of any discrepancies in the account or any concerns you have about the account.

When a Third Party Money Manager ("TPMM") is engaged, each TPMM provides regular quarterly account reports.

The Investment Policy Committee ("Committee") is responsible for the review of the Business Owners Fund Portfolio. The Committee meets quarterly. Clients of Business Owners Fund will receive statements and performance information through their secure log-in on the electronic portal. **It is highly recommended that Clients of Business Owners Fund review their liquidity needs and risk tolerance at least on an annual basis.**

## **Item 14 Client Referrals and other Compensation**

Clients of AltruVista, LLC may also be clients of the broker-dealer, Valmark Securities, Inc. Clients of this nature should be aware that Valmark maintains special compensation relationships with a variety of providers. These relationships may be termed "revenue sharing", "special compensation", "marketing allowance", or "due diligence compensation." In addition, "override" compensation is paid to Valmark by some insurance carriers and other financial service providers. Override compensation is based upon such factors as aggregate policy premiums paid to a carrier from sales by all member offices and aggregate assets placed under financial management from sales by all member offices. The amount of compensation varies among products and carriers. Valmark's complete special compensation disclosure can be viewed at [www.valmarksecurities.com](http://www.valmarksecurities.com)

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents, and are registered representatives with Valmark, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.



## Item 15 Custody

### Direct Debiting of Fees

AltruVista, LLC does not have custody of Client assets. Qualified custodians including TD Ameritrade and Comerica Institutional Trust send account statements directly to Clients on at least a quarterly basis.

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

### Wire Transfer and/or Standing Letter of Authorization

Our firm, or persons associated with our firm, may effect wire transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization. An adviser with authority to conduct such third party wire transfers has access to the client's assets, and therefore has custody of the client's assets in any related accounts.

However, we do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as we meet the following criteria:

1. You provide a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. You authorize us in writing to direct transfers to the third party either on a specified schedule or from time to time;
3. Your qualified custodian verifies your authorization (e.g., signature review) and provides a transfer of funds notice to you promptly after each transfer;
4. You can terminate or change the instruction;
5. We have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. We maintain records showing that the third party is not a related party to us nor located at the same address as us; and
7. Your qualified custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We hereby confirm that we meet the above criteria.

## Item 16 Investment Discretion

AltruVista, LLC requires an investment services agreement be completed by a Client who decides to retain AltruVista as his/her investment advisor. Under the terms of the investment services agreement, AltruVista, LLC, is given limited authority under a power of attorney arrangement to select, on a discretionary basis, the timing, size, and identity of securities to buy and sell for the client.



## Item 17 Proxy Policy

As a matter of firm policy and practice, AltruVista, LLC does not exercise proxy voting on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in Client portfolios.

In most cases, you will receive proxy materials directly from the account custodian or transfer agent. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

## Item 18 Financial Information

Registered Investment advisers are required in this item to provide you with certain financial information or disclosures about AltruVista, LLC's financial condition. AltruVista has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding. Additionally, AltruVista will take no fees over \$1,200 for services to be delivered more than 6 months in advance.

## Item 19 Additional Information

### Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

### Class Action Lawsuits

We will assist you, in conjunction with your legal counsel or other professionals, in filing claims with the claims administrator to participate in any settlement proceeds related to class action settlements involving a security held in your portfolio. We may also work with your legal counsel to determine whether you are eligible to participate in class action litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held in your portfolio.

### IRA Rollover Considerations

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.

3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - Employer retirement plans generally have a more limited investment menu than IRAs.
  - Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  - If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  - Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.

## **Item 20 Requirements for State-Registered Advisers**

We are a federally registered investment adviser; therefore, we are not required to respond to this item.